



Business-Cooperative Programs Intermediary Relending Program

Committed to the future of rural communities.

The Intermediary Relending Program (IRP) provides one percent loans to nonprofit organizations for establishment of revolving loan fund (RLF) programs.

Funding for IRP loans comes from a nationwide pool, which makes the loans very competitive.

Applicant Eligibility

To be eligible for assistance, IRP recipients and their RLF applicants must be unable to obtain financing elsewhere at reasonable rates and terms.

Assistance through the IRP program is limited to rural areas including cities with a population of less than 25,000.

IRP loans are limited to \$150,000 and are made to public bodies, nonprofit corporations, Indian Tribes, and cooperatives.

At least 51% of the owners or members of both the IRP recipient and RLF applicants must be US citizens, or admitted for permanent residence.

Eligible Loan Purposes

Private or public organizations and individuals can receive RLF assistance from the IRP recipient for the following purposes:

- ♦ establishment of new businesses;
- ♦ expansion of existing businesses;
- ♦ creation of employment opportunities or preservation of existing jobs;
- ♦ community development projects.

IRP recipients may use interest income and fees from the RLF to cover administrative costs, finance technical assistance to borrowers, or provide debt retirement of the IRP loan.

Loan Terms & Conditions

Loans to IRP recipients are at 1% per annum. Repayment is scheduled for a period of up to 30 years.

The IRP recipient determines the terms for their RLF assistance.

Security

When the IRP recipient accepts a loan, it is incurring a debt. Collections from RLF assistance should be sufficient to repay the RBS loan schedule.

If collections from the RLF are not sufficient, the IRP recipient is still fully responsible for repaying the initial USDA Rural Development loan.

To ensure the federal investment, collateral is required for IRP loans. Generally, security consists of a lien on the revolving loan fund, including assignments of security pledged by RLF recipients.

RBS approval is also needed for security policies on loans through the program.

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